



Southeastern Idaho News

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA & POWER COUNTIES

ECONOMIC TRENDS

The number of people working in the Pocatello Metropolitan Statistical Area in September increased by 2,350 from a year earlier, and the increase of nearly 3,000 from August was the largest one-month increase ever. The expansion of the labor force in September was due in large part to the opening of the fall semester at Idaho State University and other schools in the area. Workers were back on the line at Con Agra in American Falls after the annual August shut down for maintenance, boosting food manufacturing jobs, and good weather allowed construction workers to continue on projects started earlier in the summer in the metropolitan area that includes Bannock and Power counties. Call centers and financial institutions hired additional help to meet customer demand. Most other counties in the region also experienced an increase in employment. Southeastern Idaho Table 2 shows the employment changes by county from September 2006 to September 2007.

ECONOMIC DEVELOPMENT & LABOR FORCE

Economic development is difficult to define because of its broad application and the many factors involved. In general, it includes the creation, attraction, expansion and retention of jobs in a given area. Most businesses thinking about relocating or expanding consider location factors affecting their cost of doing business – transportation, markets, labor, raw material, utilities, business site location, financial capital and taxes. These factors are often intertwined, but typically labor is a major consideration. Southeastern Idaho has been able to compete with other parts of the nation because the cost of doing business is generally about 85 percent or less of the national average. The area is also known for having a good work force. As unemployment rates continued to decline during the past year, employers have become more and more concerned

Southeastern Idaho Table 1: Pocatello MSA Labor Force & Employment Bannock and Power counties

	Sep 2007*	Aug 2007	Sep 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	47,120	44,460	45,350	6.0	3.9
Unemployment	1,020	1,310	1,600	-22.1	-36.3
% of Labor Force Unemployed	2.2	2.9	3.5		
Total Employment	46,100	43,150	43,750	6.8	5.4
<i>Unadjusted</i>					
Civilian Labor Force	44,840	43,990	44,720	1.9	0.3
Unemployment	740	1,080	1,300	-31.5	-43.1
% of Labor Force Unemployed	1.7	2.5	2.9		
Total Employment	44,100	42,910	43,420	2.8	1.6
JOB BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	40,410	38,890	38,850	3.9	4.0
<i>Goods-Producing Industries</i>	6,050	6,120	5,930	-1.1	2.0
Natural Resources & Mining	30	30	30	0.0	0.0
Construction	2,090	2,160	2,120	-3.2	-1.4
Manufacturing	3,930	3,930	3,780	0.0	4.0
Food Manufacturing	1,410	1,260	1,230	11.9	14.6
Fabricated Metal Product Manufacturing	180	180	170	0.0	5.9
Machinery Manufacturing	370	380	260	-2.6	42.3
Other Manufacturing	1,970	2,110	2,120	-6.6	-7.1
<i>Service-Providing Industries</i>	34,360	32,770	32,920	4.9	4.4
Trade, Transportation & Utilities	7,410	7,350	7,460	0.8	-0.7
Wholesale Trade	1,370	1,360	1,390	0.7	-1.4
Retail Trade	4,670	4,620	4,590	1.1	1.7
Utilities	50	50	50	0.0	0.0
Transportation & Warehousing	1,320	1,320	1,430	0.0	-7.7
Information	700	700	700	0.0	0.0
Financial Activities	2,290	2,290	2,140	0.0	7.0
Professional & Business Services	5,720	5,610	5,420	2.0	5.5
Educational & Health Services	3,450	3,410	3,180	1.2	8.5
Leisure & Hospitality	3,560	3,560	3,700	0.0	-3.8
Other Services	1,170	1,190	1,160	-1.7	0.9
Government Education	6,790	4,830	4,530	40.6	49.9
Government Administration	3,270	3,830	4,630	-14.6	-29.4

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Southeastern Idaho Table 2: Number of Employed Workers by County

County	Sep 2006 employed workers	Sep 2007 employed workers	Difference
Bannock	40,350	42,186	1,836
Bear Lake	3,126	3,078	-48
Bingham	20,518	20,883	365
Caribou	3,318	3,466	148
Franklin	6,264	6,725	461
Oneida	2,220	2,310	90
Power	3,406	3,914	508
Area Total	79,202	82,562	5,908

about the availability of workers. The increasing number of help wanted signs in business windows and ads in local newspapers is evidence that smaller employers, and those offering only part-time or seasonal work, are having difficulty finding workers. However, larger employers offering good-paying jobs with some medical benefits have been able to fill their employment needs, and that indicates there are workers willing to move into the area or existing workers are willing to stay in the area by taking new, better-paying jobs. A recent survey by the Bannock Development Corp. and the Pocatello Chamber of Commerce found more than 68 percent of the respondents knew two to three people willing to move to the area if they found a higher paying job. And 90 percent of them would bring families with them. These kinds of numbers are good barometers for employers wanting to expand or relocate in southeastern Idaho.

Employers are equally concerned about worker attitudes, turnover rates, fringe benefits, absenteeism and competition for workers from other employers. Workers in southeastern Idaho have the reputation for some of the highest work standards in the nation and lower turnover rates. In manufacturing, for example, southeastern Idaho had a turnover rate of 11 percent from spring 2006 through winter 2007. That compared with a national turnover rate of 16.5 percent. Employers spend a good deal of time and money to evaluate work force quality, and it is important that workers know the importance of going to work each day and being productive. It not only affects their lives directly but it may have long range implications for their children and grandchildren if they want to raise their own families in the same area.

COUNTY DEVELOPMENTS

BANNOCK COUNTY

- Despite national concern over escalating foreclosures and a collapsing housing market, Bannock County and the rest of southeastern Idaho have not been severely impacted. According to local bankers and mortgage brokers, the rate of foreclosure in 2007 is nearly 20 percent behind the foreclosure rate of 2006. Additionally residential real estate has been selling at a pace comparable to 2006. According to the Pocatello Association of Realtors Multiple Listing Service, there were 1,165 single-family homes sold through September compared to 1,131 during the first nine months of 2006. The price was also higher in 2007. The monthly average selling price of a single-family home this year was \$150,490 compared to \$134,996 in 2006.
- Colorado-based Correctional Health Care Management will take over medical services for Bannock County prisoners. The contract will provide 24-hour, seven-day-a-week coverage at the jail for \$600,000.

- Lava Hot Springs Foundation opened a new indoor aquatics complex. The enclosed 25-meter pool will allow swimming and diving during all kinds of weather while those preferring not to swim can relax in the 106- to 112-degree hot pools.
- Pocatello city officials have been busy recruiting new employers to the area. Although nothing definite has been announced, there are reports of big-box retailer Costco locating in the Gate City. In addition, a Canadian-based equipment dealer and a metal fabricator have reportedly expressed interest in opening businesses in the area. Each is expected to employ about 200 workers.
- Site preparation for Hoku Materials polysilicon plant has begun, and the company announced plans to produce an additional 500 metric tons of polysilicon a year. Additionally the company has amended its agreement with Sanyo Electric Co. to extend the financing deadline from October 2007 to Dec. 31, 2007.
- New business openings get the fanfare, but the businesses that survive the test of time are the backbone of the economy. Varsity Cleaners celebrated 50 years of operation in October, not only surviving a very competitive market but thriving. A strong work ethic, innovation and a trusting partnership between Don Aslett and Arlo Luk propelled Varsity Cleaners from a small local house cleaning business to a nationally recognized business with 5,000 employees and 3,000 subcontractors.

BEAR LAKE COUNTY

- County commissioners approved rezoning for Black Bear Mountain Resort. The new zone designation will allow the developers to apply for a large scale Public Utility District grant. In addition to approving the zone change, the commissioners are considering stipulations that the area would revert back to current zoning status if Black Bear Development is not able to proceed as planned.
- Representatives from the Five County Joint Transportation Committee met at the Oregon Trail Center to discuss progress, problems and future development along U.S. Highway 89. This highway is an integral part of eastern Idaho, and its development is due in large part to the cooperative efforts of the counties involved.
- The Montpelier News Examiner was purchased by Cache Valley Publishing LLC of Seattle, Wash. The new owners are not planning any immediate changes and will continue the tradition of quality journalism.

BINGHAM COUNTY

- Gold's Gym held a grand opening for its new Blackfoot health facility. The family owned and operated franchise employs 22 people and is recognized nationally for having top-of-the-line equipment and well-trained instructors.
- Spudnik's innovations have contributed to its increase of 30 percent in sales the past three years. In 2007 the company added 100 feet of warehouse to its manufacturing facility west of Blackfoot, devoting about two-thirds to quality assurance testing. Well known for manufacturing potato production equipment in the local area, Spudnik has grown and expanded into many more markets and product lines. Growers in Russia, New Zealand and China are regular customers, and equipment has been modified to work in onion and carrot fields, hill broccoli and pile walnuts. Company executives credit their success and growth to workers who are innovative and take pride in producing a high-quality product.
- The potato harvest is wrapping up just as game bird production and sales take off. October through January is the busiest time of year for D.J. Investment Co. near Firth. The company operated by Daniel and Ruth Johnson produces about 6,500 pheasants and 3,500 chucker partridges each year. The birds are shipped primarily to Utah hunting clubs, and a few are sold to local hunting dog trainers. The birds sell for \$7 to \$13 each depending on the time of year and age of bird. The Johnsons expect to expand in the future and include a variety of quail along with their partridges and pheasants.
- Potato processor Idaho Supreme has signed a 10-year agreement under which the RD Offutt Co. will supply all the raw potatoes it processes and buy back the processed potatoes. Idaho Supreme hopes to stabilize the industry by balancing the production of potato products with production of potatoes. On July 17, United Potato Growers of Idaho merged its dehydration plants with those of RD Offutt Co. of North Dakota to create North American Foods, the largest dehydration company in the nation.
- Another innovative Bingham County couple, Jan and Loretta Denlinger, are marketing a new fertilizer product called "Shot." It is produced from silt enriched with a blend of minerals, monatomics and microorganisms from the waste of fish fed earthworms the Denlingers raise in their compost bin. The silt and water are filtered through a series of screens and result in a liquid fertilizer that has no smell, is frost resistant and boosts water retention in the soil. Nurseries, greenhouse and golf courses are primary customers.

- Local officials were encouraged to learn the Department of Energy has issued its final regulations for the loan guarantee program authorized by the Energy Policy Act of 2005. These regulations pave the way for federal support of clean energy products such as cellulose ethanol being proposed by Iogen Biorefinery Partners LLC. An Iogen-operated facility proposed for the Shelley area has been stalled pending the development of federal loan guarantees. There is still much uncertainty about the Iogen project, but the approval of loan guarantees is a positive development.
- The Shoshone-Bannock tribe has been awarded a \$1.8 million grant to finance a vocational rehabilitation program for tribal members with disabilities. The grant will be administered over five years by Tribal Health and Human Services.
- The Blackfoot Industrial Development Corp. approved up to \$5 million in industrial revenue bonds to be issued by Key Bank to Premier Technology Inc. to assist in financing a plant expansion.

CARIBOU COUNTY

- Large electrical rate increases proposed for customers of Rocky Mountain Power are stimulating debate in the area. Two of the largest users, Agrium and Monsanto, have been told to expect increases of 14.5 percent and 24.1 percent respectively. Residential users are scheduled for a 7 percent increase. The affect on the local economy concerns all of those living in the area. Rocky Mountain wants to begin charging the higher rates on Jan. 1. The Idaho Public Utilities Commission will be holding hearings this fall.
- Grace Junior and Senior High School was recognized by the Idaho State Board of Education as a Distinguished School. Grace was the only high school in the state to receive the award. The other six recipients were charter, elementary or middle schools. A school must be in the top 5 percent of schools making its annual yearly progress target for students two years in a row and have significantly reduced gaps between subgroups to be recognized as a Distinguished School.
- Bureau of Land Management officials said the J.R. Simplot Co. is conducting phosphate exploration in the Dairy Sink Line area of Caribou County 12 miles west of Soda Springs. Simplot acquired the leases at an auction in 2000. Exploration is expected to last about two years. If it appears there are sufficient phosphate reserves, Simplot would begin the permitting part of the mining application process.

FRANKLIN COUNTY

- The Preston Citizen newspaper was purchased by Cache Valley Publishing LLC of Seattle, Wash. The new owners are not planning any immediate changes and will continue the tradition of quality journalism.
- The lifting of a building moratorium was greeted with many inquiries about future development of several proposed subdivision sites. Cache Valley Homes, an Arizona-based firm, inquired about a possible 100-lot subdivision and has given planning and zoning official a sketch review but has not made formal application. Plans for four or five subdivisions with four or fewer lots have been submitted to planning and zoning for review.

ONEIDA COUNTY

- The old Malad Post Office is now the home of a new naturopathic medical clinic owned and operated by Dr. Larry Womack, formerly of Bear River, Utah. According to Womack, the new clinic will be the largest of its type in Idaho and will offer dietary help, a sleep laboratory, colon hydrotherapy and body detoxification. In addition the clinic will also have a chiropractor and a massage therapist.

- Oneida County officials renewed their contract to use the Caribou County jail for the same \$49 per day for seven prisoners. The total cost would be \$125,195 for the six men and one woman. Oneida County commissioners also discussed setting a date for demolition of their jail as required when the insurance carrier canceled coverage for the facility.
- County commissioners have been given a grant from the state Department of Transportation to improve the airport.
- Mountain View Auto, owned by Mike Greenwood, had a large turnout for its grand opening in Malad. The business will service and sell all makes and models of automobiles.

POWER COUNTY

- Ken's Market owners, sister and brother Sherrie and Rod Garner, purchased Cardinal Market in American Falls from the Farnsworth family. The purchase will allow Ken's to add new products, buy in greater volume and keep many of the current employees.

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East Central Idaho News

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON & TETON COUNTIES

EMPLOYMENT TRENDS

Nearly 2,000 more people joined the labor force from August to September in the Idaho Falls Metropolitan Statistical Area as seasonal summer jobs turned into permanent employment and educational institutions began the fall term. There were 3,300 more jobs than in September 2006 as shown in East Central Idaho Table 1 on page 29. The unemployment rate showed little change over the month but dipped five-tenths of a percentage point from the previous year. Health care, education, government administration and professional and business support services all expanded. The growing population is feeding the labor force. Many of the newcomers are young professionals and their spouses with children under 12.

POPULATION SURROUNDING IDAHO FALLS

The population of Idaho Falls has grown 4.1 percent to nearly 52,800 in mid-2006 since the 2000 census. But the city of Ammon nearly doubled its population. Most residential land in Idaho Falls has been developed

so the only way to accommodate more growth is to annex more land or rezone existing land for residential use. Ammon, on the other hand, still has room to expand, and many subdivisions are in the works. Available land and property taxes lower than in neighboring Idaho Falls makes Ammon attractive to residents planning to move and to newcomers. Commercial sites in Ammon are springing up all around. Bonneville County experienced a 14.7 percent growth in population since the census, another 12,100 people. Almost half of those people located in Ammon.

The Idaho Falls/Ammon area is a hub for medical services and retail business, attracting customers from other counties and even other states judging by the increasing number of out-of-county vehicle license plates. But just how many people are in the vicinity who would come to Bonneville County's metro area for services?

A quarter of a million people live within a 50-mile radius of Idaho Falls. That includes Pocatello, Dubois and Ashton. The distance is a normal daily commute for many